

COMMITTEE ON WAYS AND MEANS

September 13, 2017

A meeting of the Committee on Ways and Means was held this date at 4:56 p.m.

PRESENT (11)

The Honorable John J. Tecklenburg, Mayor

Councilmember White	District 1	Councilmember Waring	District 7
Councilmember Williams	District 2	Councilmember Seekings	District 8
Councilmember Lewis - <i>absent</i>	District 3	Councilmember Shahid	District 9
Councilmember Mitchell	District 4	Councilmember Riegel - <i>absent</i>	District 10
Councilmember Wagner	District 5	Councilmember Moody	District 11
Councilmember Gregorie	District 6	Councilmember Wilson	District 12

1. INVOCATION:

The meeting was opened with a moment of silence provided by Councilmember Wagner.

2. APPROVAL OF MINUTES:

On a motion of Councilmember Mitchell, seconded by Councilmember Gregorie, the Committee on Ways and Means voted unanimously to approve the minutes of the July 11, 2017 meeting. The minutes of the August 15, 2017 meeting were deferred on the agenda.

3. BIDS AND PURCHASES:

On a motion of Councilmember Gregorie, seconded by Councilmember Shahid, the Committee on Ways and Means voted unanimously to approve the bids and purchases as follows:

PARKS: **ACCOUNT: 522000-52206** **APPROPRIATION: \$41,405**

Approval to process a change order to increase the Septima Clark Grounds Maintenance contract by adding Crosstown Phase 2 Maintenance with Pleasant Places, Inc., 449 Long Point Rd., Mt. Pleasant, SC 29464. Solicitation #14-B012R

INFORMATION TECHNOLOGY: ACCOUNT: 161000-52206 APPROPRIATION: \$98,1000

Approval of Enterprise License Agreement (ELA) with Environmental Systems Research Institute (ESRI) for ArcGIS Licensing and Support; Sole Source Purchase. Payment two-of-three for the ESRI ArcGIS Enterprise License Agreement providing a license plan allowing for expanded licensing to address the significant escalation in the use of GIS by City departments, including Police and Fire, for critical operations. This is an initial 3-year agreement with escalating payments (2016-\$80,000; 2017-\$90,000, 2018-\$100,000-plus tax). Future payments will be notably reduced and provide ongoing software maintenance coverage.

FIRE DEPARTMENT: ACCOUNT: 062017-58010 APPROPRIATION: \$890,300

Approval to purchase a 2018 Pierce Enforcer Custom Walk-In Rescue Vehicle from Spartan Fire & Emergency Apparatus, 319 Southport Rd., Roebuck, SC 29376; Solicitation #17-P018R. 2017 Lease Purchase Funds will be used.

FIRE DEPARTMENT: ACCOUNT: 062017-58010 APPROPRIATION: \$1,224,600

Approval to purchase two (2) 2018 Pierce Saber Custom Pumper Trucks from Spartan Fire & Emergency Apparatus, 319 Southport Rd., Roebuck, SC 29376; Solicitation #17-P017R. 2017 Lease Purchase Funds will be used.

POLICE DEPARTMENT: ACCOUNT: 200000-52023 APPROPRIATION: \$90,000

Approval to process a change order to increase the contract with Global Public Safety (formerly known as Light-N-Up), 101 Sunset Drive, Roebuck, SC 29376; Solicitation #15-P008R. This will increase the contract to a Not to Exceed \$200,000.00/year.

TRAFFIC AND TRANSPORTATION: APPROPRIATION: \$90,000

Approval to establish a franchise agreement for four (4) valet parking locations with Coastal Valet, 619 Yale Drive, Charleston, SC 29412 (2 each) and with Royal Parking, 164 Market Street, Charleston, SC 29401 (2 each); Solicitation #17-B031R. The initial term of this Agreement shall be for a period of one (1) year from the date of execution. The City reserves the right to extend the Agreement if the City determines the extension is in the best interest; said extension will be on an annual basis and shall not exceed four (4) additional one (1) year periods.

4. BUDGET, FINANCE AND REVENUE COLLECTIONS: AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF CHARLESTON PUBLIC FACILITIES CORPORATION INSTALLMENT PURCHASE REVENUE BONDS (CITY OF CHARLESTON PROJECT), SERIES 2017; AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN INSTRUMENTS RELATING TO THE ISSUANCE AND SALE OF THE AFORESAID BONDS, EACH BETWEEN THE CITY OF CHARLESTON, SOUTH CAROLINA AND CITY OF CHARLESTON PUBLIC FACILITIES CORPORATION, A BOND PURCHASE AGREEMENT AMONG THE CITY, CITY OF CHARLESTON PUBLIC FACILITIES CORPORATION AND WELLS FARGO SECURITIES, AND A PRELIMINARY OFFICIAL STATEMENT AND AN

OFFICIAL STATEMENT OF THE CITY; AND OTHER MATTERS RELATING THERETO.

Mayor Tecklenburg stated that the City's bond attorney was present and could address any questions. This particular issuance allowed the City to purchase the parking garage at the WestEdge Development across from the baseball park and behind the police station. The concept was approved by Council some years ago.

Councilmember Waring said he thought the \$12,000,000 had a different spending schedule than the parking garage. Chairman Moody clarified that this was the next item on the agenda. He asked what the total amount of the bonds were. Charlton deSaussure said the total amount was not exceeding \$30,000,000.

Chairman Moody said he knew when a parking garage was constructed at the Charleston Place Hotel, the City ended up having the organization LDC (Local Development Corporation), and there was a separate ordinance. Councilmember Seekings said that was for the hotel and not the parking garage. Chairman Moody said there was \$10,000,000, and City Council never received this money back.

Charlton deSaussure explained that the \$10,000,000 was a UDAG loan connected with Charleston Place Development, which was prepaid by the borrower. They paid it back to the LDC, which was the lender. That was the entity to which HUD made the UDAG loan back in the 80s. He said that was totally separate, but it was an incentive to get the redevelopment started at Charleston Place. This item was a structure that was used in 2015 when the City bought the Midtown Garage. The developers built the Midtown Garage, and upon completion, the City would buy it. The same would happen here with the parking garage that was being built next to where the Publix would be built and next to the Greenberg Municipal Complex. The proceeds would be used for this, and a small portion would be used to complete the forensics lab. Chairman Moody asked if the lab was in West Ashley, and Mayor Tecklenburg confirmed it was currently in West Ashley. Chairman Moody asked if the lab would stay there, and Mayor Tecklenburg said they would see.

Councilmember Waring said he thought the City sold the parking garage property across from the jail for over \$8,000,000. Amy Wharton, CFO, said she did not know, but would check the numbers. She did not think it was \$8,000,000, but closer to \$4,000,000.

On a motion of Councilmember Mitchell, seconded by Councilmember Gregorie, the Committee on Ways and Means voted unanimously to give first reading to the following ordinance:

An ordinance authorizing the issuance of City of Charleston Public Facilities Corporation Installment Purchase Revenue Bonds (City of Charleston Project), Series 2017; authorizing the execution and delivery of certain instruments relating to the issuance and sale of the aforesaid bonds, each between the City of Charleston, South Carolina and City of Charleston Public Facilities corporation, a Bond Purchase Agreement among the City, City of Charleston Public

Facilities Corporation and Wells Fargo Securities, and a preliminary official statement and an official statement of the City; and other matters relating thereto.

5. BUDGET, FINANCE AND REVENUE COLLECTIONS: AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF A \$12,000,000 SPECIAL OBLIGATION REDEVELOPMENT BOND (COOPER RIVER BRIDGE REDEVELOPMENT PROJECT AREA), SERIES 2017, OF THE CITY OF CHARLESTON, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO.

Mayor Tecklenburg said the City was required by State Law to issue the first borrowing for this district by the end of 2017. The City approached the local lending community to see what financing the City could receive with the increment that had already occurred within the district for future development. This would provide more revenue ability over time. Based upon what had already occurred, the City had an offer to borrow up to \$12,000,000 on the existing increment. At the City's Committee on Community Development meeting, the Committee approved a list of proposed projects that could be considered to utilize the funds. All of the projects would come back to Ways and Means and City Council individually.

Councilmember Waring said it was this scheduling of spending that gave him pause on the bond issue. He said he knew there was \$2,000,000 for Singleton Park. Councilmember Waring said he was familiar with Eric Singleton. He was a young man that used to go to St. Patrick's Catholic Church, and his wife used to teach him in Sunday school, but the park was on a parcel of land that was owned by SCE&G. He thought it would be unwise to do this. There was also \$1,750,000 for the LowLine Spur and Cooper River Bridge Redevelopment Multi-Use Trail. He thought the trail was a proposal from Tim Keane, and Council looked at it from the standpoint of apartments and high-density usage coming onto the bridge site. He thought there was probably a better way to do this, but to ask the public to borrow \$1,750,000 on a hypothetical was unwise. He understood borrowing money while interest rates were low, and shortly, they would see CPW show great fiscal responsibility with the refinancing of \$50,000,000, but the money for the trail that would be going through an area that flooded was not the best way, and he thought it was too much. He also referenced the Cooper River Bridge Redevelopment Area Stormwater Drainage Study and Design for approximately \$2,000,000. He thought this was a lot of money and asked how much it cost to study the Church Creek Drainage Basin because that study was nowhere near \$2,000,000.

Mayor Tecklenburg said they talked about these items at the Community Development Committee meeting, and they would be receiving a report from Councilmember Mitchell. All of these items were just proposals and were not anything that Council would approve for specific projects yet, but if Council approved the Committee report, it would give the City license to move forward. With regard to Singleton Park, they discussed at length that SCE&G owned the property, and if they did not enter into a Lease Agreement or Purchase Agreement for the property, the City would not spend this money on the park. The linear park that was contemplated along Lee Street would go from the corner of Meeting and Lee back to where South Carolina State was moving forward with their 1890 Community Center and where the

Housing Authority in the first block was moving forward with their development of affordable housing, as well as where the City wanted to do affordable housing on the next two blocks. This would possibly connect with other paths, but regardless, they envisioned this to be a real public amenity. All of these projects would need development, study, and pricing and would each come back to the Committee on Ways and Means and Council for approval. This was just a list of ideas from staff. This matter was just giving the Committee the authority to issue the first borrowing on the TIF District, which the City was required to do by the end of this year. He said it was up to Council to decide the specific projects.

Councilmember Gregorie asked if these were basically placeholders. Mayor Tecklenburg confirmed. Councilmember Gregorie asked if Council would have the opportunity to make any changes they saw were appropriate over time, and Mayor Tecklenburg confirmed.

Councilmember Seekings said that, currently, the only source of revenues for conducting the drainage studies were the two mills that Council approved two years ago. It would be a huge help to get some help from the TIF District to study the drainage basin in this district. He did not know what the City would ultimately spend on Church Creek because the City had just hired the consultant before they had completed any design work. He thought the Calhoun-West drainage basin was in the \$4,000,000 range just on the study. This was just another way to get to some real relief in this area in the form of drainage, and this was desperately needed. He thought it was important to note that as people looked at the list, it was not money they would spend tomorrow, but it was money they would have to at least get in line by the end of the year to make improvements in this particular district, which happened to have an area for a linear park over an already existing easement and a drainage study that was needed because of flooding.

Councilmember Wilson asked if the City had already done some of the work listed for the St. Julian Devine Revitalization. She thought the smoke stacks were stabilized a few years ago. Mayor Tecklenburg said, to his knowledge, this had not been done. Jason Kronsberg, Director of Parks, said what came before Council previously was the proposed renovation of the grounds, and the City was still working with the Charleston Parks Conservancy on this project. Mr. Kronsberg said the City had applied for a Federal grant, which the City did not receive, and they had half of the money they were planning to have. They would be proceeding with the grounds renovation with the Conservancy. The portion of this item would be to renovate the interior of the building, which currently had a chopped-up floorplan, and it needed to be properly renovated to operate as a community center. Councilmember Wilson asked how much money the City would be able to receive from the TIF before it expired. Ms. Wharton stated that the City had collected \$1,600,000 in taxes in 2016. Councilmember Wilson asked if the TIF was for a 20 year duration, and Ms. Wharton confirmed, but said the City had to borrow money before the money went into the TIF. If the TIF had started last year, it would have been \$1,600,000 that would have been put into the TIF. Mayor Tecklenburg said this was done annually. Councilmember Wilson said, in theory, the LowLine Spur and Redevelopment Multi-Use Path was good, but the LowLine had not come before Council for approval. They previously had an executive session regarding this. Chairman Moody said he thought the City

would need some sidewalks through this property, and this item was really addressing that, but the question was would this property eventually connect to the LowLine.

Mayor Tecklenburg said he looked at this as a blessing that the City had these funds to invest in the district, and they would add the ability with Item #6 on the agenda to spend TIF funds on affordable housing. He suggested that at the next Council workshop, Council could review all of the projects that had been proposed, and if any Councilmember had a project for this district that they thought would be a great benefit for this community, he proposed that they bring it forward. The City had a few months to set further direction on the projects.

Chairman Moody said his discomfort was not the bond, but the list of items. His concern was that there might be more items to address than those that were just listed. His concern was that the City kept beating the drum of affordable housing, and maybe they should use the monies for that. He would approve the bond issue, but the list was disconcerting to him.

Councilmember Waring stated this was the same position he was in. He understood the deadline was approaching, but his issue was with the list. He said under the first item, Mayor Tecklenburg had not been the Mayor at the time, but the mitigation agreement between the SC Department of Transportation and the City of Charleston included \$3,000,000 for a number of uses. Councilmember Waring said he thought they had used about \$400,000 or \$500,000 for a man hole in the area. Of the \$2.4 million or \$2.5 million that was left, he understood the City used the money for streetscapes on Huger Street. It was allowable to use a portion of the money for affordable housing. In the proposal he was looking at, there was another million for the streetscape. He said they were putting money into streetscapes that were already being developed such as the Lofts on Huger Street and the Central Lofts. The private sector was filling a good portion of the streetscapes in this area, so there was no need to rush to complete these. This would hopefully leave more money for affordable housing. The City was told that the Department of Transportation may take the money back, and they had not done this. The City had not done the streetscapes, but the dollars were not committed for affordable housing, and the City needed to go vertical. He thought they needed to put some more work into the list, but he did not want anyone to think that when they voted on this, they were approving the list.

Chairman Moody said the list was not part of this agenda, and they were just voting on the bond issue, as the list would come up in the City Council meeting.

On a motion of Councilmember Mitchell, seconded by Councilmember Shahid, the Committee on Ways and Means voted unanimously to give first reading to the following bill:

An ordinance providing for the issuance and sale of a \$12,000,000 Special Obligation Redevelopment Bond (Cooper River Bridge Redevelopment Project Area), Series 2017, of the City of Charleston, South Carolina, and other matters relating thereto.

6. BUDGET, FINANCE AND REVENUE COLLECTIONS: AN ORDINANCE AMENDING ORDINANCE NO. 2007-232 IN ORDER TO SUPPLEMENT THE PLAN FOR THE

REDEVELOPMENT OF SUCH AREA BY INCLUDING AS A REDEVELOPMENT PROJECT IN SUCH ORDINANCE AFFORDABLE HOUSING AS DEFINED AT SECTION 31-6-30(6), SOUTH CAROLINA CODE OF LAWS, 1976, AS AMENDED.

On a motion of Councilmember Waring, seconded by Councilmember Shahid, the Committee on Ways and Means voted unanimously to give first reading to the following bill:

An ordinance amending Ordinance No. 2007-232 in order to supplement the plan for the redevelopment of such area by including as a redevelopment project in such ordinance affordable housing as defined at Section 31-6-30(6), South Carolina Code of Laws, 1976, as amended.

7. BUDGET, FINANCE AND REVENUE COLLECTIONS: AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF A \$3,000,000 SPECIAL OBLIGATION REDEVELOPMENT BOND (HORIZON REDEVELOPMENT PROJECT AREA), SERIES 2017, OF THE CITY OF CHARLESTON, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO.

Mayor Tecklenburg said this was the Horizon Redevelopment TIF District, commonly referred to as WestEdge. He said they did not have a proposed list of projects for Council or Community Development about this issuance because there were commitments already in place that half of this money would go to the Medical University, and the other half would go back to the City to reimburse it for improvements that the City had already undertaken to provide infrastructure for the development.

On a motion of Councilmember Gregorie, seconded by Councilmember Waring, the Committee on Ways and Means voted unanimously to give first reading to the following bill:

An ordinance providing for the issuance and sale of a \$3,000,000 Special Obligation Redevelopment Bond (Horizon Redevelopment Project Area), Series 2017, of the City of Charleston, South Carolina, and other matters relating thereto.

8. BUDGET, FINANCE AND REVENUE COLLECTIONS: AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF WATERWORKS AND SEWER SYSTEM REFUNDING REVENUE BONDS OF THE CITY OF CHARLESTON IN ONE OR MORE SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$50,000,000 AND OTHER MATTERS RELATING THERETO.

Councilmember Waring asked to hear from bond counsel and representatives from Charleston Water System, so they could explain exactly what the City would be doing with this ordinance.

Charlton deSaussure introduced Kin Hill, CEO of CWS, Wesley Ropp, CFO of CWS, and Edward Boyles from Wells Fargo Securities. In 2007, City Council approved a bond ordinance

that authorized variable rate indebtedness. It had worked well over the last ten years, but had a lot of complexities associated with it. These were becoming more pronounced ten years later in the regulatory environment following the 2008 real estate downturn. He said there was an opportunity with interest rates being so low to term out the variable rate indebtedness with a fixed rate borrowing and have the security of knowing what their interest rates would be. It would also get rid of the complexities.

On previous occasions, CWS revenue bonds had achieved higher savings on a dollar for dollar basis, and this would still achieve a significant savings. Almost as importantly, it removed future risk and complexity. This would all be good economically, and adoption of the Series Ordinance would delegate this to the Commissioners of Public Works.

Councilmember Waring said the fiscal management at CWS and the best practices applied to save dollars on behalf of the rate payers for the City of Charleston was second to none. He knew sometimes the Committee sped through items on the agenda, but when a fraction of interest was saved on \$50,000,000, that was something that could have been passed along as a rate increase, and that was not happening. He complimented CWS management and their team.

On a motion of Councilmember Gregorie, seconded by Councilmember Waring, the Committee on Ways and Means voted unanimously to give first reading to the following bill:

An ordinance providing for the issuance and sale of Waterworks and Sewer System Refunding Revenue Bonds of the City of Charleston in one or more series in the aggregate principal amount of not exceeding \$50,000,000 and other matters relating thereto.

9. OFFICE OF CULTURAL AFFAIRS: APPROVAL TO ACCEPT A GRANT AWARD FROM CHARLESTON COUNTY FOR ACCOMMODATIONS TAX FUNDING IN THE AMOUNT OF \$7,335. FUNDS WILL SUPPORT THE 2017 MOJA ARTS FESTIVAL. NO CITY MATCH IS REQUIRED.

On a motion of Councilmember Mitchell, seconded by Councilmember Waring, the Committee on Ways and Means voted unanimously to approve to accept a grant award from Charleston County for accommodations tax funding in the amount of \$7,335.

10. OFFICE OF CULTURAL AFFAIRS: APPROVAL TO ACCEPT A GRANT AWARD FROM CHARLESTON COUNTY FOR ACCOMMODATIONS TAX FUNDING IN THE AMOUNT OF \$6,234. FUNDS WILL SUPPORT THE 2017 HOLIDAY MAGIC IN HISTORIC CHARLESTON. NO CITY MATCH IS REQUIRED.

On a motion of Councilmember Mitchell, seconded by Councilmember Waring, the Committee on Ways and Means voted unanimously to approve to accept a grant award from Charleston County for accommodations tax funding in the amount of \$6,234.

11. OFFICE OF CULTURAL AFFAIRS: APPROVAL TO ACCEPT A GRANT AWARD FROM CHARLESTON COUNTY FOR ACCOMMODATIONS TAX FUNDING IN THE AMOUNT OF \$9,184. FUNDS WILL SUPPORT THE 2018 PICCOLO SPOLETO FESTIVAL. NO CITY MATCH IS REQUIRED.

On a motion of Councilmember Gregorie, seconded by Councilmember Waring, the Committee on Ways and Means voted unanimously to approve to accept a grant award from Charleston County for accommodations tax funding in the amount of \$9,184.

12. MAYOR'S OFFICE FOR CHILDREN YOUTH AND FAMILIES: APPROVAL TO ACCEPT THE AMERICORPS VISTA GRANT, WHICH PROVIDES AMERICORPS VISTA MEMBERS TO SERVE THE CHARLESTON COMMUNITY. NO CITY MATCH IS REQUIRED.

On a motion of Councilmember Gregorie, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously to submit a grant to the Corporation for National and Community Assistance for the AmeriCorps VISTA project.

13. POLICE DEPARTMENT: APPROVAL OF A MEMORANDUM OF AGREEMENT BETWEEN CPD AND JAMES ISLAND CHARTER SCHOOL REGARDING SRO'S FOR 2017-2018 SCHOOL YEAR WITH 2% INCREASE IN COMPENSATION AND POLICY UPDATES.

On a motion of Councilmember Mitchell, seconded by Councilmember Gregorie, the Committee on Ways and Means voted unanimously to approve a Memorandum of Agreement between CPD and James Island Charter School regarding SRO'S for 2017-2018 school year with 2% increase in compensation and policy updates.

14. POLICE DEPARTMENT: APPROVAL OF A MEMORANDUM OF AGREEMENT BETWEEN CPD AND BERKELEY COUNTY SCHOOL DISTRICT REGARDING SRO'S FOR 2017-2018 SCHOOL YEAR WITH 2% INCREASE IN COMPENSATION AND POLICY UPDATES.

On a motion of Councilmember Mitchell, seconded by Councilmember Gregorie, the Committee on Ways and Means voted unanimously to approve a Memorandum of Agreement between CPD and Berkeley County School District regarding SRO's for 2017-2018 school year with 2% increase in compensation and policy updates.

15. POLICE DEPARTMENT: APPROVAL OF A MEMORANDUM OF AGREEMENT BETWEEN CPD AND CHARLESTON COUNTY SCHOOL DISTRICT REGARDING SRO'S FOR 2017-2018 SCHOOL YEAR WITH 3% INCREASE IN COMPENSATION AND POLICY UPDATES.

On a motion of Councilmember Mitchell, seconded by Councilmember Gregorie, the Committee on Ways and Means voted unanimously to approve a Memorandum of Agreement between CPD and Charleston County School District regarding SRO's for 2017-2018 school year with 3% increase in compensation and policy updates.

16. PARKS-CAPITAL PROJECTS: APPROVAL OF A CONSTRUCTION CONTRACT WITH SCHRODER'S SERVICES, LLC IN THE AMOUNT OF \$56,155 FOR THE RENOVATION OF THE RESTROOM IN THE WENTWORTH PARKING GARAGE. WITH THE APPROVAL OF THE PROJECT BUDGET, STAFF IS AUTHORIZED TO AWARD AND/OR AMEND CONTRACTS LESS THAN \$40,000, TO THE EXTENT CONTINGENCY FUNDS EXIST IN THE COUNCIL APPROVED BUDGET. APPROVAL OF THIS ACTION WILL INSTITUTE A \$65,000 PROJECT BUDGET OF WHICH THE \$56,155 CONSTRUCTION CONTRACT WILL BE FUNDED. THE FUNDING SOURCE FOR THIS PROJECT IS THE 2017 PARKING FACILITIES, STRUCTURAL REPAIRS IN THE GENERAL OPERATING BUDGET (\$1,060,000).

On a motion of Councilmember Mitchell, seconded by Councilmember Waring, the Committee on Ways and Means voted unanimously to approve a Construction Contract with Schroder's Services, LLC in the amount of \$56,155 for the renovation of the restroom in the Wentworth Parking Garage.

17. PARKS-CAPITAL PROJECTS: APPROVAL OF A CONSTRUCTION CONTRACT WITH J. MUSSELMAN CONSTRUCTION, INC. IN THE AMOUNT OF \$262,186 FOR THE REPLACEMENT OF THE NORTH STAIRWELL AT THE VRTC PARKING GARAGE. WITH THE APPROVAL OF THE PROJECT BUDGET, STAFF IS AUTHORIZED TO AWARD AND/OR AMEND CONTRACTS LESS THAN \$40,000, TO THE EXTENT CONTINGENCY FUNDS EXIST IN THE COUNCIL APPROVED BUDGET. APPROVAL OF THIS ACTION WILL INSTITUTE A \$325,000 PROJECT BUDGET OF WHICH THE \$262,186 CONSTRUCTION CONTRACT WILL BE FUNDED. THE FUNDING SOURCE FOR THIS PROJECT IS THE PARKING FACILITIES, STRUCTURAL REPAIRS IN THE PARKING FUND (\$1,060,000).

On a motion of Councilmember White, seconded by Councilmember Gregorie, the Committee on Ways and Means voted unanimously to approve a Construction Contract with J. Musselman Construction, Inc. in the amount of \$262,186 for the replacement of the north stairwell at the VRTC Parking Garage.

18. PUBLIC SERVICE: APPROVE SPRING/FISHBURNE US17 DRAINAGE & TRANSPORTATION IMPROVEMENTS DIVISION III FEDERAL MATCH (PHASE 2) AID-TO-CONSTRUCTION AGREEMENT AND PAYMENT TO SCE&G IN THE AMOUNT OF \$176,473.50 FOR PEDESTRIAN STREET LIGHTING ON SPRING STREET, CANNON STREET, AND IN THE LANDSCAPED AREA BETWEEN THE AFOREMENTIONED STREETS IN CONJUNCTION WITH PHASE 2 OF THE SPRING/FISHBURNE PROJECT. SCE&G WILL

PROVIDE AND INSTALL 90 POLES AND FIXTURE HEADS FOR THE BASES INSTALLED BY CROWDER CO. FUNDING HAS ALREADY BEEN APPROVED IN THE PHASE 2 (FED MATCH) COUNCIL-APPROVED BUDGET.

On a motion of Councilmember Gregorie, seconded by Councilmember Mitchell, the Committee on Ways and Means voted unanimously to approve the Spring/Fishburne US17 Drainage & Transportation Improvements Division III Federal Match (Phase 2) Aid-to-Construction Agreement and payment to SCE&G in the amount of \$176,473.50 for pedestrian street lighting on Spring Street, Cannon Street, and in the landscaped area between the aforementioned streets in conjunction with Phase 2 of the Spring/Fishburne project. SCE&G will provide and install 90 poles and fixture heads for the bases installed by Crowder Co. Funding has already been approved in the Phase 2 (Fed Match) council-approved budget.

19. THE COMMITTEE ON HUMAN RESOURCES: (MEETING WAS HELD ON TUESDAY, AUGUST 29, 2017 AT 4:00 P.M.)

- a. Review and approval of BCBS renewal and 2018 Healthcare Budget
- b. BCBS audit results (INFORMATION ONLY)
- c. Stop Loss Agreement (*Deferred*)

Councilmember White, Vice Chairman of the Committee on Human Resources, reported that the Committee had met on August 29th. They recommended an additional \$100 of funding for HSA accounts beginning January 1st. If there were 50 employees enrolled, the cost would be \$5,000. There would also be a prescription co-pay added to the HSA. Currently, enrollees had co-insurance. The deductible would increase for the Retiree PPO plan for a savings of \$35,000. The dental administration fee increased \$.15 cents per employee per month, and the total cost was a little over \$3,000 a year. The net increase to the 2018 Healthcare Budget was \$1,496,379. This was representative of a 9.9 percent increase budget to budget and a 5.4 percent increase estimate to budget. The total 2018 Healthcare Budget would be \$16,400,000. The recommendation was for a two percent increase to employee only premiums and a four percent increase to all other tiers. The City had not increased employee premiums for the last two years due to being under budget, but they expected to be right at or slightly above budget this year. The City had multiple high dollar claims in 2017, which resulted in insurance carriers making increases to stop loss premiums. The City's consultants were trying to secure better rates, and those agreements would be brought to Council once the process was finalized. Councilmember White reported that even with the high dollar claims, the City continued to do well as employees took advantage of programs that helped reduce claims and save money.

Chairman Moody said the Committee would only be voting on Item 19a as the Stop Loss Agreement had been deferred, and the audit was presented as information to the Committee. Councilmember White confirmed.

Councilmember Waring asked if the increase to employees was two percent. Councilmember White said there was a recommended increase of two percent to the premiums. Councilmember Waring asked Amy Wharton if there had also been an increase in employee's required retirement contributions. Ms. Wharton stated there would be an increase in what the City would have to contribute. Councilmember Waring asked about the increase for employees. Ms. Wharton said this was already increased, as of July, and it should not be increased again next year, according to the South Carolina Retirement System. It would hold at nine percent for employees. Councilmember Waring asked what the percentage of increase was to employees. Ms. Wharton said it was less than one percent. Councilmember Waring asked what the percentage of the pay increase was for employees since there had been a one percent increase for retirement and a two percent increase for the insurance. Ms. Wharton stated that in 2017, the City gave a two percent COLA. Councilmember Waring said if employees experienced a two percent COLA, a two percent increase in insurance, and a one percent increase in retirement, they would be making less money 12 months out than they made the year before.

Mayor Tecklenburg explained that the percentage for the COLA increase was a percentage of the employee's income, and the premium increase was just a percentage of the premium, not the employee's income.

Ms. Wharton said that the increase to an employee's bi-weekly pay would be 74 cents, and for a family, it would be \$7.33 a pay period. Councilmember Waring asked if he was a faithful employee working for the City of Charleston, and all of his benefits and withholdings stayed the same, because of these increases, would he be making the same, more, or less? He thought he would make less. Ms. Wharton stated it would depend on what the City gave for a COLA. If the City gave a higher COLA that would absorb some of these increases, then the employees would be better off. Councilmember Waring asked Mayor Tecklenburg if he was alluding to the COLA. Mayor Tecklenburg said that he was just making clear that when the percentages were being compared between the increase in salary versus the percentage increase in the premium, that they were two different amounts. Councilmember Waring said he knew the retirement increase was based on salary, and that was his point. He was concerned that the City would be losing employees if it kept doing business that way.

Mayor Tecklenburg said that's why when the City had a presentation on the budget recently, and they were talking about employee turnover, it was actually larger for employees-at-large compared to the Police and Fire Departments. They were trying to make the case that a larger cost of living increase was appropriate in next year's budget. They would have to see all the numbers, but at the same time, if one compared the City's increase in health insurance costs versus the general market, it was minimal compared to what had been happening in the country. At some point when the City was having those kinds of increases, they had the responsibility to ask employees to share in the increases. Since the City was mostly self-insured, he thought it spread the shared responsibility with everyone trying to take care of themselves, which would keep costs down.

Councilmember Shahid said he thought they had also discussed that because of the mismanagement on the State side of the retirement plan, the City's kick-in would be higher. This had not been addressed, but it would be coming down the road. He asked if this was correct. He thought the City had a shortfall of about \$600,000 from the City's contributions to the retirement plan and was worried that as they were talking about an employee's contribution increasing for health insurance and retirement, it was not taking into consideration that at some point down the road, the City would have to factor in picking-up this shortfall. Ms. Wharton explained that over the next seven years, this would cost the City \$7,000,000. There would be a \$1,000,000 increase every year for the next seven years to get the City up to 21 percent. That is what the City's contribution would be at the end of seven years, and that's how the State was trying to fund the shortfall. Councilmember Shahid asked if the two percent increase in retirement was factored into the shortfall now. Ms. Wharton said it was partially because every year they were increasing it until it was 21 percent. Councilmember Shahid asked if there would be another requirement for the employee to kick-in more money. Ms. Wharton responded that the State said they were keeping it at nine percent, but the City's contribution would increase every year for the next seven years.

Chairman Moody said the City had a big number that was coming at them in the next few years that they were going to have to deal with, and every municipality in the State would have to deal with it.

Councilmember White said the Human Resources Committee had a robust discussion regarding the COLA at their meeting, and it was specific to cost increment increases of healthcare coverage. The City's typical rate today was significant, and the compensation of the municipalities was higher. There was a time, during the economic downturn, when they weren't capable of fulfilling COLAs on a regular basis, and they never really caught up. They could not solve all problems in each and every budget year, but they were doing their best to move forward and make up some of the gaps that the City had. They asked staff at the Committee meeting to explore opportunities for a relatively more robust COLA than they had had in the past to help make up for some of this gap.

Councilmember Wagner said it was pretty early in the budget process to determine what money was available for a COLA, and they needed to have all of the numbers together first and not put the cart before the horse.

On a motion of Councilmember White, seconded by Councilmember Wagner, the Committee on Ways and Means voted unanimously to adopt the report of the Committee on Human Resources.

20. THE COMMITTEE ON COMMUNITY DEVELOPMENT: (MEETING WAS HELD SEPTEMBER 8, 2017 AT 3:30 P.M. AT CITY HALL, COUNCIL CHAMBER, 80 BROAD STREET)

- a. Review of the Draft Bond Allocation Plan
- b. Cooper River Bridge TIF District Projects

Councilmember Mitchell, Chair of the Committee on Community Development, reported the committee met on September 8th, and they had two items, review of the draft bond allocation plan, and the Cooper River Bridge TIF District projects. Both were approved. He reported that Councilmember Lewis voted 'nay' on Item 5a, the LowLine Spur and Cooper River Bridge Redevelopment Area Multi-Use Trail. He was asking the Committee to approve the report and send it to Council where they could discuss it more. Chairman Moody asked if Councilmember Mitchell was making a motion to approve 20(a) and 20(b). Councilmember Mitchell confirmed and said these were approved in the Community Development meeting, but noted that Councilmember Lewis had not supported Item 5a.

Councilmember Gregorie clarified that this was a draft bond allocation plan. Chairman Moody said that in accordance with the previous discussion, the Cooper River Bridge TIF District projects would also be a draft. Councilmember Mitchell said that both were drafts, and they still had to go to City Council where they could discuss it further. Chairman Moody said these were just recommendations, but he wanted to be sure the record reflected that the Committee was not approving these items. The Clerk said the Committee on Ways and Means would be accepting the recommendations of the Committee. Councilmember Mitchell said he thought that when it went to City Council, they would have to approve it one way or the other.

Councilmember Seekings said he wanted to be clear on what the Committee was voting on and what they were sending forward in light of Councilmember Gregorie's comment on 20(a). Councilmember Seekings said it was just a draft bond allocation plan. It was not a bond allocation plan up for approval by the Committee on Ways and Means to then put forward to the public. He said while the Cooper River Bridge TIF District Projects were not going to be agreed upon, the draft bond allocation plan was for a referendum that was going to be on a ballot in the City of Charleston on November 7th. He wanted to make sure that the City had already made a motion and cleared the way for the bond referendum to be on the ballot. Mayor Tecklenburg and Councilmember Mitchell confirmed. Councilmember Seekings said the Election Commission was already working on this, but he believed there was a commitment made, when they voted on this, that the City would not have a draft bond allocation plan, but would have a bond allocation plan that City Council approved. He asked when this would happen. Councilmember Mitchell said it would happen tonight. They had to do this tonight, so the community would know exactly what they were doing. He said he had been fighting for this from day one, and it was time for the City to knit the community back together, and this was what the bond allocation was for. People in the community needed to know what the bond allocation was for, which was affordable housing. If people were serious about having housing that people could afford, that is what this was for, and they just needed to get it done.

Geona Shaw Johnson said to clarify, bond counsel had advised the City that the bond allocation plan was not a requirement of the referendum, however, City Council had asked staff

to look at how the City would distribute the bond funds, should they be successful November. Basically, this is what they presented to the Community Development Committee, a bond allocation plan that gave information relative to the challenges of affordable and workforce housing, and it also provided within this plan how the City would utilize the funds. What the Committee on Ways and Means had before them and what the Community Development Committee approved was the bond allocation plan, and they were hopeful that after tonight, they could take the "draft" off, and it would become an allocation plan. She explained they did not have to put this particular information on the referendum, but what was for the Committee's information was the proposed program that the City would implement, should the referendum pass, specifically the uses of the bond which would be for the acquisition of vacant land. The funds could only be used on rental housing per State Law. The construction of new, multi-family housing, acquisition and rehabilitation of existing housing stock, acquisition and rehabilitation and/or adaptive reuse of blighted, historic properties or school buildings, and gap financing for the City's low income tax credit developments were all of the uses described in the allocation plan. They also included a schedule, which gave a rate at which the City would distribute these funds to the various projects. They did not go into specific details about these projects for various reasons, but they had discussed these projects with both for-profit and non-profit organizations who were interested in pursuing bond funds from the City. The City saw this as an opportunity to do several things, one of which was to make sure they provided the spectrum of affordable housing that was needed from 30 percent up to 120 percent, but also, in lending those funds to various developments, it would help the City repay the bond funds that it was required to refund as a result of the issue.

Chairman Moody said there were a little over 800 units proposed, and Ms. Johnson confirmed and stated the bond issue would be \$20,000,000. Chairman Moody said that when he looked at these, he thought these just had to do with the relative values of whether a project was a new house or a redevelopment as to how many units one could get. Ms. Johnson said the cost of construction varied and was increasing as they spoke. She said it would likely be different by the time they were able to implement these projects, but these were forecasts based on people with whom they had met and also based on looking at acquisition opportunities throughout the City. They were looking at projects that would benefit the Peninsula, West Ashley, and James Island, but they were simply proposed, at this point, until the referendum was passed.

Chairman Moody said the thing that stood out to him was the Archer School which was a development/rehab and was \$3,200,000 for 48 units. Below this item, there was a project that was not a development/rehab for \$3,000,000 for 100 units. Ms. Johnson explained that rehabs typically costed more than new construction. Chairman Moody asked if most of these were rehabs. Ms. Johnson said some were rehabs and some were development. Some were also acquisitions. 48 units out of Archer School were projected. Chairman Moody said it seemed to him like most of these were rehabs, and he was just looking at the numbers and thought if they could get twice as many, maybe they should get more into development and less into rehab. Ms. Johnson said that was a choice for Council, and they could certainly look at that. Chairman

Moody said they would get more units, which is what they needed. Ms. Johnson said leveraging with other developments could maximize the number of units that they would be able to secure as a result of the bond investment.

Mayor Tecklenburg said the City was not building 800 units for \$20,000,000 because it could not be done. The City was leveraging these dollars in what would become partnerships with other developers on different agreements, each of which would have to come back through Ways and Means and City Council after the referendum was, hopefully, approved. He said the concept was to leverage dollars to create as many units as they possibly could.

Councilmember Gregorie asked how much the City would leverage the \$20,000,000 into, and he said he knew it would be over \$100,000,000 before it was over, and Ms. Johnson confirmed. Councilmember Gregorie said this money was for acquisition, infill, and other items, but he just wanted the City to really look on James Island because none of the projects talked about James Island. He wanted the City to identify either infill or the acquisition of property on the Island, so that they could develop affordable housing.

Councilmember Seekings said they knew they were going to try and leverage the money, and they would build somewhere in the area of 800 affordable housing units throughout the City. They would issue \$20,000,000 of bonds, and he wanted to know if research had been conducted on what the bond market was going to look like and what it would cost the City. Mr. deSaussure said the CWS team and their investment banker suggested three percent for AAA General Obligation bonds. Housing Revenue Bonds did not have as strong a credit rating, but this would be a City General Obligation Bond. From S&P, the City of Charleston was rated higher than the United States of America, so it would get the most competitive rate. Rates were low, and that was why the Committee saw so many bond issues on their agenda. Councilmember Seekings asked how long they would run the bonds. Mr. deSaussure said 20 years because they would be voter proof and would not count towards the eight percent. Typically this debt was issued for a longer term, and eight percent debt was repaid more quickly, so as to recoup the eight percent capacity. Councilmember Seekings asked if the City still had voter-approved bonds that it was paying off which did not count against the City's eight percent cap. He thought the \$10,000,000 bond had been paid off. Mr. deSaussure said he thought the parking bonds had been paid off. The \$10,000,000 housing bond was still outstanding, but he thought that was the only one.

Councilmember Wilson asked about the \$20,000,000 being a General Obligation Bond that went against the City's eight percent cap. Mr. deSaussure clarified that it would not go against the eight percent cap because it was voter-approved. Councilmember Wilson asked where the City was in getting close to the eight percent cap. Mr. deSaussure said the City had a capacity of \$43,717,017, and because eight percent debt was paid down every year because assessed value typically rose every year, this produced more debt capacity.

Councilmember Gregorie said that wealth creation was very important, and he knew that they were restricted with the bond to rental housing. However, he thought as they went back

and looked at this TIF, they needed to determine whether or not they could create some homeownership opportunities for folks between 50 and 120 percent of median income. He thought as they moved forward, they could try to find some home ownership opportunities, as well.

On a motion of Councilmember Mitchell, seconded by Councilmember Gregorie, the Committee on Ways and Means voted unanimously to adopt the report of the Committee on Community Development as presented.

21. THE COMMITTEE ON REAL ESTATE: (MEETING WAS HELD SEPTEMBER 13, 2017 AT 3:30 P.M. AT CITY HALL, FIRST FLOOR CONFERENCE ROOM, 80 BROAD STREET)

- a. Approval to use the Pavilion Lawn at Magnolia Plantation and Gardens for MOJA Tribute Luncheon on Saturday, October 7, 2017. There is no fee, but there is a \$500 refundable damage deposit. (3550 Ashley River Road)
- b. Approval to use the Trinity United Methodist Church in the amount of \$300.00 for a rental for MOJA Gospel Concert on Sunday October 1, 2017 (273 Meeting Street)
- c. Request approval for the Mayor to execute the Commercial Lease whereby the City leases 113 Calhoun Street to Emanuel African M.E. Church of Charleston for 10 years, upon termination of the Current Lease with the International African American Museum and the Pinckney Foundation. The property owner is the City of Charleston. (TMS: 458-01-01-086; 113 Calhoun Street) (*Deferred*)
- d. Request approval for the Mayor to execute the Right of Way Easement with the Commissioners of Public Works for 225 square feet in area for the placement of a sub-surface water meter vault. The property is owned by the City of Charleston. (TMS: 460-00-00-013; 180 Lockwood Boulevard)
- e. Consider the following annexations:
 - (i) 2178 Coker Avenue (TMS# 343-01-00-046) 0.48 acre, James Island (District 11). The property is owned by Nicholas Witte and Katherine Riddle.
 - (ii) 1944 Woodland Road (TMS# 355-10-00-064) 0.24 acre, West Ashley (District 2). The property is owned by Heather Hays and David Kauffman.
 - (iii) 781 Saint Andrews Boulevard (TMS# 418-10-00-080) 0.36 acre, West Ashley (District 9). The property is owned by Kevin Shealy.

Councilmember White, Chair of the Committee on Real Estate, reported that the Committee had met that afternoon. Item 'a' was an approval for the use of the Pavilion Lawn at Magnolia Plantation for the MOJA Festival. They also had an approval for the use of Trinity United Methodist Church for the MOJA Festival. Item 'c' was deferred for the City to work on some reserve funds for the property. Item 'd' was the approval of a Right of Way Easement with CPW, and Item 'e' consisted of three annexations. All items, except for Item 'c,' were approved unanimously.

On a motion of Councilmember White, seconded by Councilmember Gregorie, the Committee on Ways and Means voted unanimously to adopt the report of the Committee on Real Estate as amended.

The Committee on Ways and Means recommended giving first reading to the following bills:

An ordinance authorizing the issuance of City of Charleston Public Facilities Corporation Installment Purchase Revenue Bonds (City of Charleston Project), Series 2017; authorizing the execution and delivery of certain instruments relating to the issuance and sale of the aforesaid bonds, each between the City of Charleston, South Carolina and City of Charleston Public Facilities Corporation, a Bond Purchase Agreement among the City, City of Charleston Public Facilities Corporation and Wells Fargo Securities, and a preliminary official statement and an official statement of the City; and other matters relating thereto.

An ordinance providing for the issuance and sale of a \$12,000,000 Special Obligation Redevelopment Bond (Cooper River Bridge Redevelopment Project Area), Series 2017, of the City of Charleston, South Carolina, and other matters relating thereto

An ordinance amending Ordinance No. 2007-232 in order to supplement the plan for the redevelopment of such area by including as a redevelopment project in such ordinance affordable housing as defined at Section 31-6-30(6), South Carolina Code of Laws, 1976, as amended.

An ordinance providing for the issuance and sale of a \$3,000,000 Special Obligation Redevelopment Bond (Horizon Redevelopment Project Area), Series 2017, of the City of Charleston, South Carolina, and other matters relating thereto

An ordinance providing for the issuance and sale of Waterworks and Sewer System Refunding Revenue Bonds of the City of Charleston in one or more series in the aggregate principal amount of not exceeding \$50,000,000 and other matters relating thereto.

An ordinance to provide for the annexation of property known as 2178 Coker Avenue (0.48 acre) (TMS# 343-01-00-046), James Island, Charleston County, to the City of Charleston, shown within the area annexed upon a map attached hereto and make it part of District

11. *The property is owned by Nicholas Witte & Katherine Riddile.*

An ordinance to provide for the annexation of property known as 1944 Woodland Road (0.24 acre) (TMS# 355-10-00-064), West Ashley, Charleston County, to the City of Charleston, shown within the area annexed upon a map attached hereto and make it part of District 2. The property is owned by Heather Hays & David Kauffman.

An ordinance to provide for the annexation of property known as 781 Saint Andrews Boulevard (0.36 acre) (TMS# 418-10-00-080), West Ashley, Charleston County, to the City of Charleston, shown within the area annexed upon a map attached hereto and make it part of District 9. The property is owned by Kevin Shealy.

There being no further business presented, the Committee on Ways and Means adjourned at 6:00 p.m.

Jennifer Cook
Assistant Clerk of Council